



NEW YORK STATE SENATOR

Brian Benjamin

Standing Up For Working Families and Women: Senator Benjamin Passes Reforms to State Earned Income Tax Credit Program

CONTACT: NEIL D. REILLY, 774.766.2351 June 18, 2019

| ISSUE: **EITC (EARNED INCOME TAX CREDIT)**



(Albany, NY) Yesterday, Senator Brian A. Benjamin passed S6259A through the State Senate, which will reform New York State's delivery system for the earned income tax credit.

"The earned income tax credit helps working families get the maximum benefit from the work that they do and the money they earn. On the federal, state, and local level, it has been one of the most effective anti-poverty programs the government has every undertaken,

getting needed funds to low and middle income families with children, most of whom use these funds for items such as diapers or childcare expenses,” **said State Senator Brian A. Benjamin.** “However, waiting a full year to get that earned value isn’t possible for some families. With this bill, we addressed that, as it allows for quarterly payments of the state and city earned income tax credit, thereby, delivering economic opportunity and justice for some of the most vulnerable among us.”

Four advanced payments would be made by the New York State Department of Taxation and Finance to qualifying New Yorkers. The first three would each be 20% of the estimated total earned income tax credit (EITC) payment for the year, and the last would be the remainder of the EITC payment at the time of a normal tax return. This, along with a “safe haven” provision, will ensure that New Yorkers who use the advanced payment of the EITC will not be penalized if the EITC amount is incorrectly calculated. These payments would be made by direct deposit or an electronic benefit transfer (EBT) card. The Commissioner of Taxation of Finance will be required to notify all taxpayers who are currently receiving the EITC or who could be eligible, as well as provide materials to tax preparers about the program.

The Senator also passed S456B, a bill addressing equal pay for civil service employees. It has also passed the assembly.

“When my mother came to this country seeking a better life for her future family, it was a union job in public service that gave her that opportunity. That opportunity put her on equal footing with her peers, and though the way was not always easy, she was able to build a solid life for my siblings and I,” **said Senator Benjamin.** “I want every New Yorker, regardless of gender, color, creed, orientation, or place of origin to have the opportunity she did, and so I am proud to be the sponsor of a bill to affirm those rights for civil service employees, and give them recourse when those rights are violated.”

One proven way to help reduce child poverty and move low-income working families toward economic stability is through refundable tax credits like the Earned Income Tax Credit (EITC). The EITC targets low and middle-income working New Yorkers, particularly families, giving them an income boost to offset the costs of raising children that has been linked to significant short- and long-term improved outcomes for children and families,” **Dede Hill, Director of Policy, Schuyler Center for Analysis and Advocacy.** “We thank Senator Benjamin and Assemblymember Wright for sponsoring S.6259A/ A.8066A, to allow families to receive the credit through periodic payments, which has been shown to improve working families’ financial stability, diminish the stresses associated with financial insecurity, and help families avoid cycles of debt. We urge passage of this important legislation, along with A1222(Jaffee)/ S4633(Montgomery)), which would expand NY’s child tax credit to cover currently excluded children under age four, and double the credit for these young children; and A10552(Bronson)/ S4891(Parker), which would expand the EITC to cover currently excluded young childless adults under age 25.

“Ending childhood poverty should be a top priority for policymakers in Albany and Washington, D.C. – and we know how to do it,” **said Larry Marx, CEO of The Children’s Agenda.** “More than half of children in our state’s third largest city, Rochester, NY, live in poverty. Similarly high child poverty rates are found in every corner of the state, from Jamestown to Watertown to the Bronx. This is simply unacceptable. The Earned Income Tax Credit is one of the most effective tools we have to reduce poverty and support low-income families. The Children’s Agenda applauds Senator Benjamin (S6259A) and Assemblymember Wright (A.8066A) for proposing a bill that will allow families to receive quarterly payments of EITC in advance of their tax filing. These quarterly payments will improve financial stability, decrease stress associated with financial insecurity, and could improve lifelong outcomes for young children. We urge the Senate and the Assembly to pass this legislation before the end of the session, and we urge Governor Cuomo to sign this bill into law.”

“The annual disbursement of the EITC can present a challenge for working parents trying to make ends meet throughout the year”, **said Jennifer Jones Austin, CEO of the Federation of Protestant Welfare Agencies.** “FPWA applauds the Senate for passing S6259, which provides an option for households wanting to stretch out their refund as an emergency savings reserve, and, in the long run, could reduce reliance on costly lending options.”

“It’s a moral disgrace that in this country, children remain our poorest group of citizens,” **said Naomi Post, Executive Director of The Children’s Defense Fund - New York.** “Poverty can have extreme adverse impacts on children, causing gaps in cognitive skills and putting them at greater risk of homelessness and hunger. The Children’s Defense Fund - New York applauds Sen. Benjamin (S6259A) and Assemblyman Wright (A8066A) for introducing legislation which would allow struggling families to receive their EITC through periodic payments throughout the year, relieving their financial stress and allowing them to better meet the basic needs of their families. We know that reducing child poverty improves health outcomes, academic performance and that it can have a significant, long term impact on a child’s future. We urge the Senate and Assembly to pass this legislation, which is a critically needed common sense solution to improve the well-being of poor children and their families in New York State.”

“New York’s low-income working families are struggling to stay afloat and give their children a good start in life as costs have risen faster than their pay over several decades,” **said Ron Deutsch, Executive Director, Fiscal Policy Institute.** “Smart tax policies including strengthening the Earned Income Tax Credit and the Empire State Child Credit would have lasting benefits for children statewide. Kids whose families receive working family tax credits do better in school, are likelier to attend college and are likely to earn more as adults. That’s important not only for the children themselves but for our country and economy.”

“The EITC continues to demonstrate results in combating child poverty and promoting mobility by increasing the economic security of working families. When families have

greater financial resources, they are able to better address the needs of their children resulting in improved well-being. CCC supports this legislation as it would allow households to receive advanced EITC payments and therefore increases the economic stability of working families,” **said Jennifer March, Executive Director of Citizens’ Committee for Children of New York.**

“As Dr. King taught us, all labor has dignity, and no family should live in poverty,” **said Senator Benjamin.** “Together, these bills will bring us closer to keeping working families afloat, help defray the cost of expenses or unexpected bills, make workplaces safe environments where each New Yorker feels valued, and move us closer to the promise of a society where each human is seen as equal in the eyes of the law and their fellow human beings.”

RELATED LEGISLATION

2019-S6259A

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate

- ○ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Provides for advance payment of the earned income credit by employers

May 30, 2019

In Senate Committee [Rules](#)

Sponsored by [Brian Benjamin](#)

Do you support this bill?

2019-S456B

- Introduced
- ○ In Committee Assembly
 - In Committee Senate
- ○ On Floor Calendar Assembly
 - On Floor Calendar Senate

- ○ Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to fair, non-biased compensation

January 04, 2019

Signed by Governor

Sponsored by **Brian Benjamin**

Do you support this bill?